

Draft Talking Points for the Director
USCG/MMS MOU Signing Ceremony
Welcome and General Remarks

We are here because the Industry, the Coast Guard, and MMS have worked out an agreement that lets us best use the expertise of the Coast Guard and MMS to manage the OCS mineral resources while attaining important goals.

Working together to revise this MOU is one of the important actions we have taken to reengineer our government. Reengineering involves a fundamental rethinking process. When we work together and take the initiative to fundamentally rethink a process, we can accomplish the level of improvement that is in this MOU.

This MOU governs how two agencies will work together. Working together effectively and efficiently is an important goal. But we share other goals. Simply stated these goals are:

Make the OCS mineral resources available to the oil and gas industry and thus to the public.

Conserve resources so that we maximize the benefits to the country.

Operate safely while protecting the environment.

Industry, the Coast Guard, and MMS share these goals. But while we share these goals, we have many differences. It is the differences that make the MOU important. If it wasn't for the differences, it would be less important what the MOU said. It is the differences between our organizations that allow us to work together and benefit from each other's specialties.

Those in our Offshore program prides themselves in their knowledge of offshore leasing, exploration, development, and production. Yet they will be the first to admit, for example, that their collective knowledge of vessels can't compare to the collective knowledge of the Coast Guard. This MOU enables industry and ultimately the public to benefit from an effective and efficient distribution of responsibilities.

Sometimes, no matter how hard we try, our government agencies need help in seeing how we can best work together. This is where we received that help from industry. Both working with industry on an ongoing basis as well as publishing a draft MOU for comment. Mark Whitten provided important help as we worked through the issues in the MOU. Mark is with Chevron and is here with us today from New Orleans. We appreciate Mark's help and the help of others in industry and want to say thank you.

And while we are at it, we want to thank everyone who worked so hard to make this MOU such a good product. We wouldn't be here without a lot of commitment and work from many people and we want to say thank you to all of those people. That includes industry, the people at Coast Guard and our own people at MMS. We wouldn't have had such a good product if people in all

of our organizations, both in headquarters and the field, had not worked together seamlessly with a common goal.

Signing the MOU is an important first step. In a few minutes, Carlolita Kallaur and Admiral North will have say a few words about implementing this new MOU. First, Mark Whitten will tell us about the industry perspective and Admiral Loy will tell us about the Coast Guard Perspective.

Talking Points for Associate Director
USCG/MMS MOU Signing Ceremony
Implementation of the MOU

I'd like to reiterate our welcome to everyone and our appreciation for all of the hard work that went into the new MOU. While it was hard work, it was facilitated by the cooperation of everyone involved.

And now, we look forward to continuing our work with Coast Guard and with Industry. It is the spirit of cooperation that will keep us going as we implement this MOU. Years of work went into developing this MOU and now we need timely implementation and support at all levels.

We will review our internal procedures and Coast Guard will review theirs. Some procedures will need to be changed to comply with the MOU. Change is never easy but in this case, our agencies, working together and with industry, will meet the needs.

Personnel from MMS and Coast Guard will work together and with industry, both here in Washington and in our respective field offices. We will be working in several different areas. Just to name a few of the areas, we have:

- Inspections
- Safety assessment
- Accident Investigation and Accident Reporting
- Civil Penalties
- Research

Inspections - Conducting inspections is an area that will benefit from the MOU. Conducting inspections when two agencies have overlapping responsibilities can be ineffective and inefficient when the two agencies do not work well together. We have worked together well in the past and will do even better under the new MOU. Overlapping responsibilities are a problem for industry as well as for the government inspector's. The MOU will help define the areas of responsibility. Our inspectors and Coast Guard inspectors will each know their area of responsibility and can concentrate on limited areas knowing that the other agency will address the remaining areas.

Safety Assessment - For the most part we have safe operations. We look forward to working with the Coast Guard and with industry to accentuate the positive and to continue to improve safety without having to first wait for an accident to occur. We need to know what operators are doing that is improving safety and work together to spread the word in a cooperative effort. The document we are signing today will facilitate those actions.

Accident Investigations and Accident Reporting - We want this to truly be a rare event. But when an accident does occur, we want to work together to find out why it occurred and how we can avoid a repeat. We want to feel that it doesn't matter who has the lead in an investigation because we will all be working together towards a common goal of future safety. In the area of accident reporting, we are already moving ahead to develop a single point of reporting that will relay the information to both agencies.

Civil Penalties - Having clear jurisdiction as outlined in the MOU will avoid many problems with civil penalties. We will be working with the Coast Guard on civil penalties. When we do issue a Civil Penalty, we don't want it to be just a punitive action. We want civil penalties to be a means of feedback that will lead to improved safety and protection of the environment.

Research - We will continue to work with the Coast Guard and with Industry to coordinate research projects in the area of both safety research and oil spill research. Many interesting areas are on the horizon as industry explores and operates in deeper water. The cooperation will begin during the research prioritization phase when we identify what research we will undertake. The cooperation will continue after we award a contract when we will work cooperatively as we monitor the research. And finally, perhaps the most important area, we will work cooperatively as we take the results of the research and determine how the research will impact other areas of our program.

Today's signing of the Memorandum of Understanding is just a start. We have a lot of work ahead of us and we look forward to the challenge.